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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE, MARKETING AREA

Volume 19

APRIL 1975

Number 9

Released Pursuant to \$1000.3 and \$1090.86, USDA-AMS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. E. Bobo, Market Administrator

MARKET SUMMARY - APRIL 1975

The Chattanooga Order MINIMUM uniform producer prices per cwt. at pool plants for milk testing 3.5% butterfat are: Base Milk - \$8.78 and Excess Milk - \$6.95. The producer butterfat differential is 8.0 cents for each one-tenth of one percent above or below 3.5% test. This is a Base and Excess price decrease of \$1.03 and \$0.78 respectively below April 1974.

In April 1975, 74.9% of the producer milk received by pool plants was priced in Class I at \$9.00 per cwt. and 10.7% was priced in Class II at \$7.04 per cwt. and 14.4% was priced in Class III at \$6.94 per cwt. The April 1975 butterfat differential for all milk testing above or below 3.5% is 8.0 cents.

Total producer milk received during April 1975 was 30,442,239 pounds which is a decrease of 4,925,618 pounds or 13.9% compared with April 1974. Deliveries of producer Base milk exceeded producer milk used in Class I by 2,841,904 pounds or percentagewise only 88.9% of Base milk was used in Class I. The April 1975 daily average deliveries from 562 producers was 1,806 pounds. This compares to 750 farms delivering a daily average of 1,572 pounds per day during April 1974.

HEARING SET ON MERGER, EXPANSION OF THREE FEDERAL MILK ORDERS

The U. S. Department of Agriculture has announced that a proposal to merge the Appalachian, Chattanooga, and Knoxville Federal milk marketing orders, combining and expanding the marketing area now covered, will be considered at a public hearing at the Holiday Inn, Northeast, 4625 Asheville Highway, in Knoxville, Tenn. beginning at 1:30 p.m. June 23, 1975.

Dairymen, Inc., a cooperative representing more than 90 percent of the affected producers, proposes that the single marketing area contain 73 contiguous counties in Tennessee, Virginia, West Virginia, Kentucky and Georgia. The area would comprise the 40 counties now covered by the present three orders, eight counties now part of the Ohio Valley Federal milk marketing order area, and 25 presently unregulated counties. Principal cities in the area are Chattanooga, Knoxville, Bristol, Kingsport, and Johnson City, Tennessee.

Three milk handlers -- Pet, Mayfield Dairy Farms, and Farmbest -- propose merging only the Chattanooga and Knoxville Orders. Another proposal by two of the handlers -- Pet and Farmbest -- would not change the marketing area of the Appalachian order, but would amend its provisions for classifying milk according to use. The provisions would be the same as classification provisions now contained in 40 other orders.

The eight counties now part of the Ohio Valley federal milk marketing order area proposed for inclusion in the readjusted marketing area include the West Virginia counties of Logan, Mingo, and Wyoming; and the Kentucky counties of Floyd, Johnson, Magoffin, Martin, and Pike.

The 25 now unregulated counties proposed for inclusion in the area are the Virginia counties of Bland, Buchanan, Dickenson, Lee, Russell, Scott, Smyth, and Wythe; West Virginia counties of Monroe and Summers; Tennessee counties of Carter, Clairborne, Hancock, Hawkins, Johnson and Unicoi; and Kentucky counties of Bell, Breathitt, Knott, Knox, Leslie, Letcher, McCreary, Perry, and Whitley.

COMPARISON OF MILK RECEIPTS AND UTILIZATION 1/
(DAILY AVERAGE POUNDS)

	% Apr. '75 Over Apr. '74	Apr. 1975	Mar. 1975	Apr. 1974
Number of Plants - Pool		4	4	4
- Non-Pool		14	14	14
<u>RECEIPTS</u>				
Pool Plants - Producer Milk	- 13.9	1,014,741	1,002,465	1,178,929
- Other Source	- 49.7	40,726	55,301	81,004
- Other Federal Order	-	2,403	3,453	85,912
Non-Pool Plants - Cl. I Sales in Area	+ 7.4	64,675	62,864	60,238
TOTAL MILK RECEIPTS	- 20.2	1,122,545	1,124,083	1,406,083
<u>UTILIZATION</u>				
<u>Class I Uses</u>				
Homo Milk	- 1.8	396,049	388,130	403,129
2% Milk	+ 14.2	247,214	243,284	216,536
Skim	- 2.5	21,167	21,094	21,700
Buttermilk	- 2.4	57,439	57,821	58,839
Flavored Milk and Drink	+ 11.0	37,063	30,485	33,394
Sub-Total of Pkg. Items (Pool Plants)	+ 3.5	758,932	740,814	733,598
Other		1,714	-0-	
Sales to Non-Pool Plants		-0-	-0-	4,792
In Area Sales by Non-Pool Plants	+ 7.4	64,675	62,864	60,238
TOTAL CLASS I USAGE		825,321	803,678	
<u>Class II Uses - Pool Plants only</u>				
Sweet Creams - Routes	- 1.6	2,311	2,283	2,347
Sour Cream and Dip - Routes	- 18.7	1,543	1,706	1,896
Yogurt - Routes	- 2.3	593	689	607
Ice Cream	+ 10.4	81,446	72,527	73,806
Other		60,095	55,001	
Sales to Non-Pool Plants		4,419	5,636	
TOTAL CLASS II USAGE		150,407	137,842	
<u>Class III Uses - Pool Plants only</u>				
Animal Feed and Dumped	- 30.8	4,449	4,701	6,425
Class III Shrinkage		16,310	10,679	
Inventory Variation		3,846	21,641	
Other, Overage, etc.		43	(37)	
Bulk Sales to Non-Pool Plants		122,169	145,579	
TOTAL CLASS III USAGE		146,817	182,563	
<u>IN AREA PACKAGE ROUTE DISPOSITION</u>				
<u>BY POOL PLANTS AND NON-POOL PLANTS</u>				
Homo Milk	- 4.3	307,668	303,000	321,536
2% Milk	+ 17.7	174,490	172,099	148,267
Skim and 1% Milk	- 7.6	15,458	15,108	16,732
Buttermilk	- 4.0	44,431	44,532	46,287
Flavored Milk and Drink	+ 17.6	30,538	24,972	25,978
Total Class I Disposition In-Area	+ 2.5	572,585	559,711	558,800
<u>CLASS I PKG. ROUTE DISPOSITION</u>				
In-Area by Pool Plants	+ 1.8	507,910	496,847	498,691
In-Area by Non-Pool Plants	+ 7.6	64,675	62,864	60,109

1/ The Order was amended effective August 1, 1974 to provide for a three use classification. Therefore, comparison with previous months are not made for all items of use.

COMPUTATION OF WEIGHTED AVERAGE PRICE

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April 1975	Class Percent	Butterfat Pounds	Product Pounds	Cwt. Price @ 3.5%	Total Value
Class I Producer Milk	74.875	616,184	22,793,542	\$9.00	\$2,051,418.78
Class II Producer Milk	10.722	222,472	3,263,920	7.04	229,779.97
Class III Producer Milk	14.403	312,228	4,384,777	6.94	304,303.53
TOTAL PRODUCER MILK	100.000	1,150,884	30,442,239		\$2,585,502.28
Less Handler Class I Location Adjustment					-0-
Add Value of Overages					-0-
Add Inventory Reclassification Charges					-0-
Add Value of Class I OtherSource Milk and Producer Location Adjustment					-0-
Add $\frac{1}{2}$ Producer-Settlement Fund Balance					9,632.43
Total Utilization Value @ 3.5% Test			30,442,239	\$8.524783	\$2,595,134.71
Less Producer-Settlement Fund Reserve			30,442,239	.044783	
WEIGHTED AVERAGE PRICE @ 3.5% TEST			30,442,239	\$8.48	

COMPUTATION OF UNIFORM BASE AND EXCESS PRICES

April 1975	Product Pounds	Cwt. Price @ 3.5%	Excess Value	Total Value
Total Utilization Value 3.5% Test	30,442,239	xxx	xxx	\$2,595,134.71
Excess Milk Used in Class I	-0-	\$9.00		
Excess Milk Used in Class II	422,016	7.04	29,709.93	
Excess Milk Used in Class III	4,384,777	6.94	304,303.53	
UNIFORM EXCESS PRICE @ 3.5% TEST	4,806,793	6.95	xxx	334,072.11
Less FMP from unregulated supply plants allocated to Class I @ Wt. Av. Price	-0- -0-			-0-
TOTAL VALUE OF BASE MILK	25,635,446	8.820063		\$2,261,062.60
Less Producer-Settlement Fund Reserve	25,635,446	.040063		10,270.33
UNIFORM BASE PRICE @ 3.5% TEST	25,635,446	\$8.78		\$2,250,792.27

APRIL 1975 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 8.0 PER POINT (EXCLUDES PREMIUMS)

TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS
3.0	\$8.38	\$6.55	4.0	\$9.18	\$7.35	5.0	\$ 9.98	\$8.15
3.05	8.42	6.59	4.05	9.22	7.39	5.05	10.02	8.19
3.1	8.46	6.63	4.1	9.26	7.43	5.1	10.06	8.23
3.15	8.50	6.67	4.15	9.30	7.47	5.15	10.10	8.27
3.2	8.54	6.71	4.2	9.34	7.51	5.2	10.14	8.31
3.25	8.58	6.75	4.25	9.38	7.55	5.25	10.18	8.35
3.3	8.62	6.79	4.3	9.42	7.59	5.3	10.22	8.39
3.35	8.66	6.83	4.35	9.46	7.63	5.35	10.26	8.43
3.4	8.70	6.87	4.4	9.50	7.67	5.4	10.30	8.47
3.45	8.74	6.91	4.45	9.54	7.71	5.45	10.34	8.51
3.5	8.78	6.95	4.5	9.58	7.75	5.5	10.38	8.55
3.55	8.82	6.99	4.55	9.62	7.79	5.55	10.42	8.59
3.6	8.86	7.03	4.6	9.66	7.83	5.6	10.46	8.63
3.65	8.90	7.07	4.65	9.70	7.87	5.65	10.50	8.67
3.7	8.94	7.11	4.7	9.74	7.91	5.7	10.54	8.71
3.75	8.98	7.15	4.75	9.78	7.95	5.75	10.58	8.75
3.8	9.02	7.19	4.8	9.82	7.99	5.8	10.62	8.79
3.85	9.06	7.23	4.85	9.86	8.03	5.85	10.66	8.83
3.9	9.10	7.27	4.9	9.90	8.07	5.9	10.70	8.87
3.95	9.14	7.31	4.95	9.94	8.11	5.95	10.74	8.91

CHATTANOOGA ORDER MINIMUM MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/ 4/		
	Per Hundredweight				Class I	Class II	Class III
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Cwt.	Cwt.
Apr. '74	\$9.33 2/	\$9.81	\$7.73	8.0¢	\$10.29	\$7.73	
May	9.17 2/	9.89	6.93	7.6	10.30	6.93	
June	8.50 2/	9.17	6.31	7.2	9.88	6.31	
July	8.20 2/	8.66	6.29	7.2	9.08	6.29	
Aug.	8.21	-	-	7.7	8.46	6.49	\$6.39
Sept.	8.20	-	-	7.8	8.44	6.79	6.69
Oct.	8.35	-	-	7.9	8.54	6.92	6.82
Nov.	8.66	-	-	7.9	8.84	6.86	6.76
Dec.	8.43	-	-	7.5	8.97	6.51	6.41
Jan. '75	8.56	-	-	7.7	8.91	6.90	6.80
Feb.	8.49	-	-	7.8	8.95	6.95	6.85
Mar.	8.44 2/	8.75	6.86	7.8	9.00	6.96	6.86
Apr.	8.48 2/	8.78	6.95	8.0	9.00	7.04	6.94
May	-	-	-	-	9.01	-	-
June	-	-	-	-	9.09	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE 4/				
	Chi. 92°	Chi. Area	Minn/Wisc.	(Daily Average)				
	Butter ¢ Lb.	Powder ¢ Lb.	Mfg. Milk Cwt. - 3.5%	Class I Pounds	Class II Pounds	Class III Pounds	Percentage Use	
Apr. '74	68.23	68.73	\$7.73	744,227	434,702		63.1	36.9
May	60.51	66.22	6.93	804,711	378,718		68.0	32.0
June	60.57	58.45	6.31	697,373	443,971		61.1	38.9
July	60.83	56.52	6.29	715,569	324,116		68.8	31.2
Aug.	67.08	57.05	6.39	719,339	89,630	19,000	86.9	10.8 2.3
Sept.	67.71	56.93	6.69	729,330	71,550	51,283	85.6	8.4 6.0
Oct.	68.84	56.91	6.82	745,752	68,293	34,930	87.8	8.1 4.1
Nov.	68.88	56.94	6.76	782,226	56,786	32,846	89.7	6.5 3.8
Dec.	65.32	56.74	6.41	725,078	60,395	136,814	78.6	6.6 14.8
Jan. '75	66.82	56.73	6.80	764,045	72,610	84,210	83.0	7.9 9.1
Feb.	68.07	59.24	6.85	768,419	80,627	139,425	77.7	8.2 14.1
Mar.	68.07	60.58	6.86	738,878	82,184	181,403	73.7	8.2 18.1
Apr.	69.19	60.66	6.94	759,785	108,797	146,159	74.9	10.7 14.4

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/			PRODUCER DATA					
	No.	Total	Class I	Pool	No.	Total	Base Average	Av. Per.	
	Hdlers	Receipts	Use 4/	Plants	Prod.	Delivery	Delivery Test	Farm	
Apr. '74	18	1,406,083	806,245	4	750	1,178,929	913,117	3.73	1,572
May	18	1,393,911	868,280	4	749	1,183,429	899,410	3.67	1,580
June	18	1,302,939	753,227	4	722	1,141,344	877,774	3.61	1,581
July	18	1,178,805	765,797	4	731	1,039,685	841,605	3.59	1,422
Aug.	17	983,351	818,969	3	579	827,969	-	3.62	1,430
Sept.	17	990,981	805,362	3	561	852,163	-	3.64	1,519
Oct.	18	1,009,566	848,006	4	517	848,975	-	3.77	1,642
Nov.	18	1,001,646	862,322	4	549	871,858	-	3.81	1,588
Dec.	18	1,030,894	790,484	4	616	922,287	-	3.94	1,497
Jan. '75	19	1,047,656	837,544	4	525	920,865	-	3.89	1,754
Feb.	19	1,108,305	836,919	4	601	988,471	-	3.85	1,645
Mar.	18	1,124,083	803,678	4	567	1,002,465	841,666	3.87	1,768
Apr.	18	1,122,545	825,321	4	562	1,014,741	854,515	3.78	1,806

1/ Excludes Premium

2/ Weighted Average Price

3/ Other Source is Gross minus Producer

4/ Order amended August 1, 1974 to provide for three classes of utilization; therefore, not comparable in all categories to previous months.